



BellSouth Telecommunications, Inc
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2005 JUN 15 PM 4:12

TUE JUN 15, 2005 00:00

Guy M. Hicks
General Counsel

615 214 6301
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VIA HAND DELIVERY

Hon. Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Enforcement of Interconnection Agreement between BellSouth
Telecommunications, Inc. and NuVox Communications, Inc.*
Docket No. 04-00133

Dear Chairman Miller:

During yesterday's oral argument in this matter, counsel for both parties made reference to NuVox's decision to file a lawsuit against KPMG during the pendency of the audit in Georgia. As information to the Authority, BellSouth is providing with this letter fifteen copies of the letter KPMG recently filed informing BellSouth that it was suspending its work on the NuVox EELs audit.

In the May 27, 2005 letter, KPMG stated the following:

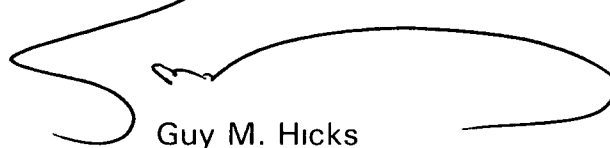
1. "KPMG prepared its preliminary analysis and submitted the same to NuVox for its review and verification on or about March 21, 2005. KPMG also requested that NuVox provide KPMG with appropriate management assertions and representations necessary to complete the engagement."
2. "On April 12, 2005, NuVox notified KPMG that it believed that KPMG had breached a nondisclosure agreement between KPMG and NuVox relating to the engagement, that NuVox questioned KPMG's 'independence' in conducting this examination and that NuVox questioned KPMG's ability to continue in the role for which it was engaged."

Hon Pat Miller, Chairman
June 15, 2005
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3. "NuVox further asserted that unless KPMG withdrew from the examination of its own accord, NuVox would commence litigation against KPMG "
4. "To date, NuVox has not provided KPMG with any substantive response to the preliminary analysis."
5. "... in order to permit KPMG to proceed with the engagement, NuVox, *inter alia*, must provide KPMG with the appropriate comments, assertions and/or representations and otherwise cooperate with KPMG in the completion of its procedures."

A copy of this letter is being provided to counsel of record.

Very truly yours,

A handwritten signature in black ink, appearing to read "Guy M. Hicks". The signature is stylized with a large, sweeping loop on the left side and a smaller loop on the right side.

Guy M. Hicks

GMH:ch



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May 27, 2005

By Federal Express

Mr. Jerry Hendrix
Assistant Vice President – Interconnection Services
BellSouth Telecommunications, Inc.
675 W. Peachtree Street, NE
Room 34S91
Atlanta, GA 30075

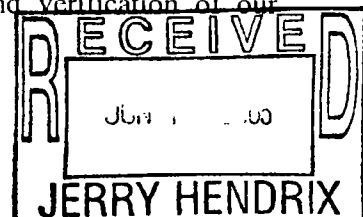
Dear Mr. Hendrix:

In October of 2004, KPMG LLP (KPMG) was engaged by BellSouth Telecommunications, Inc. (BellSouth) to conduct an attestation engagement related to NuVox Communications, Inc.'s (NuVox) enhanced extended loops (EELs), pursuant to Orders of the Georgia Public Service Commission issued on or about June 30, 2004 and August 24, 2004. Pursuant to the terms of the engagement letter, that engagement was to be conducted "in accordance with the standards established by the American Institute of Certified Public Accountants ("AICPA")." Under AICPA attestation standards, independence of the accountant is required to perform such an attestation.

KPMG prepared its preliminary analysis and submitted the same to NuVox for its review and verification on or about March 21, 2005. KPMG also requested that NuVox provide KPMG with appropriate management assertions and representations necessary to complete the engagement.

On April 12, 2005, NuVox notified KPMG that it believed that KPMG had breached a nondisclosure agreement between KPMG and NuVox relating to the engagement, that NuVox questioned KPMG's "independence" in conducting this examination and that NuVox questioned KPMG's ability to continue in the role for which it was engaged. NuVox further asserted that unless KPMG withdrew from the examination of its own accord, NuVox would commence litigation against KPMG.

To date, NuVox has not provided KPMG with any substantive response to the preliminary analysis. It is our understanding that on May 3, 2005, the Georgia Public Service Commission ordered NuVox to provide its management assertions and verification of our preliminary analysis in this examination on or before June 3, 2005.





Mr. Jerry Hendrix

May 27, 2005

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However, NuVox commenced litigation against KPMG on May 5, 2005, asserting claims for breach of contract, professional negligence, negligence, breach of fiduciary duty, and defamation. BellSouth has now petitioned to intervene in that action. Under the circumstances, KPMG believes that under AICPA standards its independence is presently compromised, and hereby notifies BellSouth that it has suspended its work on the NuVox examination unless and until NuVox dismisses, with prejudice, the litigation against KPMG. Further, in order to permit KPMG to proceed with the engagement, NuVox, inter alia, must provide KPMG with the appropriate comments, assertions and/or representations and otherwise cooperate with KPMG in the completion of its procedures. Until the above independence issue is resolved and all examination procedures are completed and NuVox's complete management representations are received, KPMG will be unable to continue with its work or to issue its report.

Finally, KPMG notes that this examination was incomplete and therefore has not produced any findings or conclusions that may be relied upon in any way by any party, including NuVox or BellSouth.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Carl R. Geppert".

Carl R. Geppert
Partner and Industry Leader,
Communications & Media Practice
KPMG LLP

cc Hamilton E. Russell, III
NuVox Communications, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on June 15, 2005, a copy of the foregoing document was served on the following, via the method indicated

☐ Hand
☐ Mail
☐ Facsimile
☐ Overnight
☒ Electronic

John J. Heitmann, Esquire
Kelley Drye & Warren, LLP
1200 19th Street, N.W., Suite 500
Washington, DC 20036
jheitmann@kelleydrye.com

☐ Hand
☐ Mail
☐ Facsimile
☐ Overnight
☒ Electronic

H LaDon Baltimore, Esquire
Farrar & Bates
211 Seventh Ave N, # 320
Nashville, TN 37219-1823
don.baltimore@farrar-bates.com

A handwritten signature in black ink, appearing to read 'H LaDon Baltimore', is written over a horizontal line.